

Letter to Speaker Urges Extension of Estate and Capital Gains Tax Cuts

WASHINGTON - U.S. Rep. Harry Mitchell today continued his call to extend key middle class tax cuts following President Barack Obama's appeal to Congress to limit capital gains taxes in his State of the Union Speech last night.

Mitchell wrote House Speaker Nancy Pelosi urging her to consider H.R. 498, the Capital Gains and Estate Tax Relief Act of 2009, a bipartisan bill which Mitchell introduced last year with Rep. Mark Kirk (R-IL) to make recent cuts to capital gains and estate taxes permanent.

"Last night President Obama urged Congress to act in a bipartisan manner to limit the corrosive effect of capital gains and provide tax incentives for all businesses, large and small," Mitchell wrote. "These tax cuts are increasingly important to middle-class families, small business owners, stockholders, and homeowners in my district and around the country. Retaining these cuts would make our tax code fairer and more predictable."

Cuts to the estate tax and capital gains tax are set to expire at the end of the year. The Mitchell-Kirk bill would make the cuts permanent by establishing a \$5 million exemption for the estate tax by 2015 and then indexing it for inflation beyond that. It also would eliminate the flat 55 percent tax rate and create two lower estate tax rate brackets: 15 percent for estates valued below \$25 million, and 30 percent for estates valued above \$25 million. Additionally, it would permanently reduce the capital gains tax to 15 percent.

Mitchell introduced a similar bill to extend cuts to capital gains and estate taxes with Rep. Chris Shays (R-CT) in the 110th Congress. He also requested that the Fiscal Year (FY) 2010 Budget and the American Recovery and Reinvestment Act include capital gains and estate tax cut extensions.

Earlier this month in advance of the State of the Union, Mitchell wrote to President Barack Obama urging him to include extensions of the estate and capital gains cuts in his Fiscal Year (FY) 2011 budget.

Since taking office in 2007, Mitchell has voted against each Democratic budget proposal, citing concerns of increased spending and expiration of key tax cuts.

Below is the text of Congressman Mitchell's letter to Speaker Pelosi:

January 28, 2010

Dear Madam Speaker:

Last night President Obama urged Congress to act in a bipartisan manner to limit the corrosive effect of capital gains and provide tax incentives for business and investment.

I urge you to heed his call by considering H.R. 498, the Capital Gains and Estate Tax Relief Act of 2009. I introduced this bipartisan legislation last year with Rep. Mark Kirk of Illinois to make recent cuts to capital gains and estate taxes permanent.

If Congress does not act, these taxes will expire at the end of this year. As so many families continue to struggle, we need to encourage investment and economic growth to create jobs, not discourage it by raising taxes.

These tax cuts are increasingly important to middle-class families, small business owners, stockholders, and homeowners in my district and around the country. Retaining these cuts would make our tax code fairer and more predictable.

As you know I have long sought to make these cuts permanent. In 2007, I introduced similar legislation with former Rep. Chris Shays of Connecticut.

With the expiration date rapidly approaching, it is even more urgent for Congress to act.

Thank you for your consideration.

Sincerely,

Harry E. Mitchell

Member of Congress